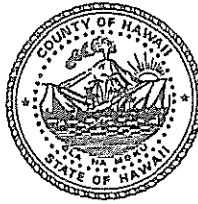


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043
(808) 961-8288 • Fax (808) 961-8742

December 21, 2005

Mr. Ken Melrose
Pa'ahana Enterprises, LLC
P.O. Box 109
Kealahakua, Hawaii 96750

Dear Mr. Melrose:

Subject: Special Management Area Use Permit Assessment Application No. 05-000108
(SMAA 05-108)
Special Management Area Minor Permit No. 05-000021 (SMM 05-21)
Applicant: Hawaii Planing Mill, Ltd.
Land Owner: Trustees of the Estate of Bernice Pauahi Bishop
Project: Consolidation and Resubdivision of Existing Lots, Rehabilitation of Existing
Structures, Addition to Existing Structure and Related Improvements
Tax Map Keys: 2-1-006:001, 072, 073, 074, 082 & 087

This is in response to the subject SMAA application that you submitted on November 30, 2005 on behalf of the applicant. From your submittals we understand that the applicant intends to rehabilitate and add on to the existing structures situated on the subject lots for use as a building materials storage and distribution facility. Also being proposed is the reconfiguration of several lot lines for the subject parcels through a consolidation and resubdivision that will result in the same number of lots that currently exist.

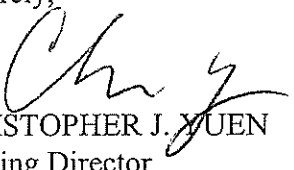
Pursuant to Rule 9-4(10)A(v) of the Planning Commission Rules of Practice and Procedure, the construction, reconstruction, demolition, or alteration of the size of any structure is not exempt from the definition of development. Rule 9-10E. provides that a SMA Minor Permit shall be issued for development that is not in excess of \$125,000 and that will not have a cumulative impact, or a substantial adverse effect on the Special Management Area after review by the Public Works Director for compliance with Chapter 27, Flood Control Code, of the Hawaii County Code.

Mr. Ken Melrose
Pa'ahana Enterprises, LLC
Page 2
December 22, 2005

In view of the above, we have determined that a SMA Minor Permit is required to allow for the proposed development. We have received comments from the DPW and approved Special Management Area Minor Permit No. 05-21, which is enclosed.

Should you have questions, please feel welcome to contact Larry Brown or Esther Imamura of my staff at 961-8288.

Sincerely,



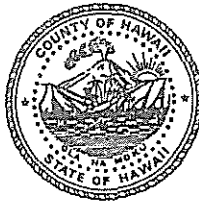
CHRISTOPHER J. YUEN
Planning Director

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Enclosure: SMM 05-21

xc: Ms. Deborah Chang – Long Range Planning Division
Mr. Norman Hayashi – Planning Division

Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

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Special Management Area Minor Permit No. 05-000021

Project: Consolidation and Resubdivision of Existing Lots,
Rehabilitation of Existing Structures, Addition to Existing
Structure and Related Improvements
Applicant: Hawaii Planing Mill, Ltd.
Land Owner: Trustees of the Estate of Bernice Pauahi Bishop
Location: Waiakea, Hilo, South Hilo, Island & County of Hawaii, Hawaii
TMK: (3) 2-1-006:001, 072, 073, 074, 082 & 087

Applicant's Request

1. Project Description:

The applicant intends to rehabilitate portions of the existing buildings and facilities, construct an addition to an existing building, and to reconfigure the existing lots through consolidation and resubdivision resulting in the same number of lots. The project elements presented include:

- a) Consolidation and resubdivision as follows:
 - (i) Consolidation of Parcels 72, 73 and 74 and resubdivision into two (2) lots; and
 - (ii) Consolidation of Parcels 01, 82 and 87 and resubdivision into four (4) lots.
- b) Refurbishing as necessary, without enlargement, of existing buildings on the subject parcels for use as a building materials storage and distribution facility.
- c) The construction of a new office addition (approximately 900 sf) to the east side of the existing Kuwaye Trucking building and related parking area improvements estimated to cost approximately \$120,000.00.
- d) Other related improvements to the parking areas, interior traffic circulation routes, fencing and loading docks.

2. Purpose of Project:

The proposed objectives of the project are to:

- a) To extend the useful life of the existing structures for use as a building materials storage and distribution facility;
- b) To resolve on-site water ponding in order to maximize the open lumber storage areas; and
- c) To locate related office functions to maximize the efficient flow of materials from the Hilo dock, through treatment and out to the retail outlets and bulk buyers.

3. Project Valuation: \$120,000.00

4. Determination:

According to Chapter 205A-22, HRS, and Planning Commission Rule No. 9-4(10)(A)(v), relating to the Special Management Area, "development" includes the construction, reconstruction, demolition, or alteration of the size of any structure.

Rule No. 9-4(10)(B) provides the following uses, activities and operations as being exempt from the definition of "development:"

- (vi) *Repair, maintenance, or interior alterations to existing structures or relating to existing uses;*
- (x) *Creation or termination of easements, covenants, or other rights in structures or land; and*
- (xiii) *Subdivision of a parcel of land into four or fewer parcels when no associated construction activities are proposed, provided that any such land which is so subdivided shall not thereafter qualify for this exemption with respect to any subsequent subdivision of any of the resulting parcels.*

Therefore, the proposed project requires a SMA Minor Permit for the proposed construction of the approximately 900-sf office and related parking area improvements. All other uses, activities, and operations identified under the Project Description above are determined to be exempt from further review under the SMA guidelines.

State and County Plans

- 1. **State Land Use District:** The subject property is designated Urban by the State Land Use (SLU) Commission.
- 2. **General Plan:** The Hawaii County General Plan Land Use Pattern Allocation Guide (LUPAG) Map designates the subject property for industrial uses.
- 3. **County Zoning:** The subject properties are all zoned General Industrial (MG-1a) by the County of Hawaii. **Special Management Area:** The subject property is located in the SMA.

**Compliance with Objectives and Policies of Chapter 205A, Hawaii Revised Statutes
(HRS), Regarding the Special Management Area**

Check all objectives and policies found to be consistent with proposed development. Issuance of SMA Minor Permit requires that activity be consistent with all objectives & policies.

The proposed development is consistent with the following objectives and policies:

- ☒ Development will not have any significant adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest. Such adverse effect shall include, but not be limited to, the potential cumulative impact of individual developments, each one of which taken in itself might not have a substantial adverse effect and the elimination of planning options.
- ☒ The proposed development is consistent with the Hawaii County General Plan and the Zoning Code.
- ☒ The proposed development does not conflict with the following objectives of Chapter 205A, HRS, to:
 - ☒ Provide coastal recreational opportunities accessible to the public.
 - ☒ Protect, preserve, and where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture.
 - ☒ Protect, preserve, and where desirable, restore or improve the quality of coastal scenic and open space resources.
 - ☒ Protect valuable coastal ecosystems from disruption and minimize adverse impacts on all coastal ecosystems.
 - ☒ Provide public or private facilities and improvements important to the State's economy in suitable locations.
 - ☒ Reduce hazard to life and property from tsunamis, storm waves, stream flooding, erosion, subsidence and pollution.
 - ☒ Improve the development review process, communication, and public participation in the management of coastal resources and hazards.
 - ☒ Stimulate public awareness, education, and participation in coastal management.
 - ☒ Protect beaches for public use and recreation.
 - ☒ Promote the protection, use, and development of marine and coastal resources to assure their sustainability.
- ☒ The proposed development is consistent with the following policies of Chapter 205A, HRS, relating to:
 - ☒ Recreational Resources

- ☒ Historic Resources
 - ☒ Scenic and Open Space Resources
 - ☒ Coastal Ecosystems
 - ☒ Economic Uses
 - ☒ Coastal Hazards
 - ☒ Managing Development
 - ☒ Public Participation
 - ☒ Beach Protection
 - ☒ Marine Resources
- ☒ The proposed development conforms to the requirements of Chapter 343, HRS, regarding Environmental Impact Statements.

Findings

As discussed above, the proposed development will not have any significant adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest.

The proposed development is consistent with the objectives, policies, and SMA guidelines of Chapter 205A, HRS.

The estimated project cost of approximately \$120,000 is not in excess of \$125,000.

The Department of Public Works – Engineering Division has reviewed the proposed project for compliance with Chapter 27, Flood Control, of the Hawaii County Code and has submitted the following comments, dated December 8, 2005, regarding the subject SMAA.

"We have reviewed the subject application for compliance with Chapter 27, Flood Control, forwarded by your memo dated December 5, 2005 and offer the following comments for your consideration.

All development-generated runoff shall be disposed of on site and shall not be directed toward any adjacent properties. The applicant has stated that one of their objectives (page 2) is to resolve present on site surface water ponding.

The subject parcels are in an area designated as Zone X on the Flood Insurance Rate Map (FIRM) by the Federal Emergency Management Agency (FEMA). Zone X is an area determined to be outside the 500-year floodplain (may include areas with unknown flood or drainage hazards).

Questions may be referred to Kelly Gomes of our Engineering Division at ext. 8327."

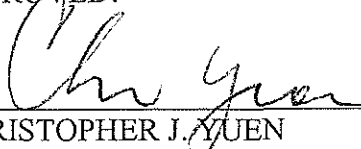
Pursuant to Planning Commission Rule Section 9-10(E), **Special Management Area Minor Permit No. 05-000021** is hereby approved to allow for the construction of an approximately 900-sf office addition to the existing Kuwaye Trucking building and related parking area improvements.

Conditions of Approval

The Planning Director has approved **SMA Minor Permit No. 05-000021** subject to the following conditions:

1. The applicant, its successors or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicant shall comply with all applicable requirements of all State and County of Hawaii and Federal departments and agencies.
3. Applicant shall secure Plan Approval for the proposed development within two (2) years from the approval date of this permit.
4. All development-generated runoff shall be disposed of on site and shall not be directed toward any adjacent properties.
5. An extension of time for the performance of the conditions contained herein may be granted by the Planning Director upon the following circumstances:
 - a) The non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence;
 - b) Granting of the time extension would not be contrary to the original reasons for the granting of the permit; and
 - c) The time extension granted shall be for a period of not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended up to one additional year).
6. Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

APPROVED:


CHRISTOPHER J. YUEN
Planning Director

DEC 22 2005

Date